

# SB 109 - HB 185

## FISCAL NOTE



Fiscal Review Committee  
Tennessee General Assembly

January 20, 2025

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**SUMMARY OF BILL:** Authorizes the Comptroller of the Treasury (COT) to waive the current 16-hour per month work requirement threshold applicable to any certified public accountant (CPA) in contract with a municipality to act as a certified municipal finance officer (CMFO). Requires that such waivers be renewed annually.

### FISCAL IMPACT:

#### NOT SIGNIFICANT

##### Assumptions:

- Pursuant to Tenn. Code Ann. § 6-56-406(d), a municipality may contract with a CPA to perform the duties of a CMFO whom must devote at least 16 hours per month to financial oversight on behalf of the municipality.
- Based on information provided by the COT, there are currently 14 municipalities in Tennessee that utilize a CPA for such purposes.
- The fiscal impact of the proposed legislation depends on the number of municipalities that seek and receive the waiver, which may result in a permissive decrease in local government expenditures if a CPA is paid by the hour and contracted for less than 16 hours per month.
- Due to unknown variables, including the hourly compensation rate and contracted number of hours for any such CPAs, any decrease in local government expenditures cannot be reasonably determined.
- However, given the limited number of municipalities impacted, it is estimated that any permissive decrease in local expenditures would be not significant.
- Based on information provided by the COT, it can review and approve any waiver requests utilizing existing resources.

### CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Bojan Savic, Executive Director